

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3851

ANSWERED ON:17.08.2001

FORMULA FOR DEVOLUTIONS OF CENTRAL REVENUES TO STATES

SURESH KURUP

Will the Minister of FINANCE be pleased to state:

(a) whether many State Governments have represented to the Union Government against the adoption of the new formula for devolutions of Central Revenues under the Eleventh Finance Commission Report (.

(e);

(b) if so, the names of the State which gave the representations and the loss of Revenue transfer as assessed by each State;

(c) whether the Government intend to take any action to help these State Governments to overcome the loss; and

(d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATH) :

(a) to (d) Yes, Sir. A number of States including Andhra Pradesh, Assam, Goa, Gujarat, Haryana, Himachal Pradesh, Karnataka, Kerala, Manipur, Mizoram, Maharashtra, Orissa, Punjab and Tamil Nadu made representations in this regard. The Finance Commission lays down the criteria for determining the share of transfers between the States, from time to time, keeping in view their assessment of States requirement, and the need for horizontal equity. A statement showing total estimated transfers to States under the recommendations of the Tenth Finance Commission and Eleventh Finance Commission (EFC) is enclosed. The Government of India has since, accepted the recommendations of the EFC relating to devolution of Central taxes and duties of grants-in-aid and debt relief to States.